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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/660,328	09/10/2003	Paul Spaeth	16222U-011310US	5961
66/945      7590      12/15/2008 TOWNSEND AND TOWNSEND CREW LLP TWO EMBARCADERO CENTER, 8TH FLOOR SAN FRANCISCO, CA 94111				
EXAMINER				
RETTA, YIHDEGA				
ART UNIT		PAPER NUMBER		
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/660,328

**Applicant(s)**

SPAETH ET AL.

**Examiner**

Yehdega Retta

**Art Unit**

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 29 May 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-55 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-55 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SF/ICE)  
Paper No(s)/Mail Date 5/29/07.11/15/04.8/13/04
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

***Claim Rejections - 35 USC § 101***

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fails to meet the above requirements because the steps are neither tied to another statutory class of invention (such as a particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to a different state or thing.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 29-45 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 29 recites a device comprising a receiver configured to receive ... and a modifier configured to modify ... It is unclear if the receiver and modifier are hardware or software. Since the claim feature could be interpreted to be software per se, it is rejected as being directed to non-statutory subject matter.

Claim 35 recite an acceptant point device comprising of logics. Claim 39 also recites a system (a networked device) comprising logics however data structures or software (logic or code or module, etc) not claimed as embodied in computer-readable media are descriptive material per se and are not statutory because they are not capable of causing functional change in the computer. See, e.g., Warmerdam, 33 F.3d at 1361, 31 USPQ2d at 1760 (claim to a data structure per se held nonstatutory). Such claimed data structures do not define any structural and functional interrelationships between the data structure and other claimed aspects of the invention which permit the data structure's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structure's functionality to be realized, and is thus statutory. Similarly, computer programs claimed as computer listings per se, i.e., the descriptions or expressions of the programs, are not physical "things." They are neither computer components nor statutory processes, as they are not "acts" being performed. Such claimed computer programs do not define any structural and functional interrelationships between the computer program and other claimed elements of a computer which permit the computer program's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional

interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory. See Lowry, 32 F.3d at 1583-84, 32 USPQ2d at 1035.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-52 and 54-55 are rejected under 35 U.S.C. 102(e) as being anticipated by DiRaimondo et al. (US 7,032,047).

Regarding claims 1-8, 10-12, DiRaimondo teaches receiving an indication to change the participation status in the loyalty program from a first status to a second status; and modifying a parameter in the portable device from a first value to a second value in response to the indication, the modification of the parameter corresponding to a change in the participation status in the

loyalty program from the first status to the second status; receiving card image data from the portable device, the card image data including the parameter having the first value, the first value indicating the participation status as having the first status; further comprising modifying the parameter in the card image data from the first value to the second value; comprising sending an indication that the parameter in the portable device was modified from the first value to the second value to a host; further comprising changing a record for the status of the portable device to the second status at the host; wherein if the first status is an active status, the second status is an inactive status, and wherein if the first status is an inactive status, the second status is an active status; wherein the indication to change the participation status is received at an acceptance point device; and wherein the acceptance point device is configured to communicate with the portable device; wherein the indication to change the participation status is provided by the loyalty program participant or a host managing the loyalty program (see fig. 6A, 6B, col. 10 line 30 to col. 11 line 45); teaches wherein the participation status includes one of a plurality of levels, which includes an account level, a card level, a program level and a transaction level (see col. 4 lines 6-56).

Examiner would like to point out that whether the modified parameter is of a one type or another does not make any change to the step of modifying a parameter since there is no additional step required that differentiate the claimed invention from the prior art. Therefore, this nonfunctional descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (fed. Cir. 1994). Also no patentable weight

is given to the fact that the participation status includes plurality of levels since the claimed step is merely modifying a parameter.

Regarding claim 9, DiRaimondo teaches therein the indication to change the participation status is received at a computing device connected to the Internet (col. 2 lines 24-44, col. 9 lines 44-55).

Regarding claims 13-20, DiRaimondo teaches receiving a request for changing the participation status from a first status to a second status; receiving card image data from the portable device, the card image data including a parameter indicating the participation status as having the first status; modifying the parameter in the card image data, the modification of the parameter corresponding to a change of the participation status from the first status to the second status; and updating the card image data in the portable device with the modified parameter, the modified parameter indicating the participation status as having the second status; comprising establishing a connection with the portable device to allow the card image data to be received; sending an indication to a host indicating that the parameter in the portable device was modified; changing a record for the status of the portable device to the second status at the host (see fig. 6A, 6B, col. 10 line 30 to col. 11 line 45); teaches wherein the participation status includes one of a plurality of levels, which includes an account level, a card level, a program level and a transaction level (see col. 4 lines 6-56).

Regarding claims 21, 22, 25-28, 35, 36, 38, 39-42 DiRaimondo teaches establishing a connection with the portable device; receiving a request for changing the participation status from a first status to a second status; receiving card image data from the portable device, the card image data including a parameter indicating the participation status as having the first status for

the portable device; sending the card image data to the loyalty server module; modifying, at the loyalty server module, the parameter in the card image data, the modification of the parameter corresponding to a change of the participation status from the first status to the second status; receiving the modified card image data from the loyalty server module; and updating the card image data in the portable device with the modified card image data, the modified parameter indicating the participation status as having the second status; communicating through a network to establish a connection with the loyalty server module (see fig. 6A, 6B, col. 10 line 30 to col. 11 line 45); receiving a transaction ID from the loyalty server module; and using the transaction ID to connect to the loyalty server module through the network (see col. 5 lines 34-67, col. 9 line 20 to col. 10 line 31) ); teaches wherein the participation status includes one of a plurality of levels, which includes an account level, a card level, a program level and a transaction level (see col. 4 lines 6-56).

Regarding claim 23, 37, DiRaimondo teaches sending an indication to a host indicating that the parameter in the portable device was modified; changing a record for the participation status of the portable device to the second status at the host (see col. 4 lines 42-59).

Regarding claims 29-34, DiRaimondo teaches a receiver configured to receive an indication to change the participation status in the loyalty program from a first status to a second status (see col. 4 lines 33-55); and a modifier configured to modify a parameter in the portable device, the modification of the parameter corresponding to a change of the participation status from the first status to the second status (see fig. 1 & 2, 5 line 33 to col. 5 line 19); wherein the receiver is configured to receive card image data from the portable device (see fig. 1, the card image data



including the parameter indicating the participation status as having the first status; wherein the modifier is configured to modify the parameter in the card image data (col. 4 line 55 to col. 5 line 47) wherein the receiver is configured to send an indication to a host that the parameter in the portable device was modified (see fig. 2A-2C); wherein the device comprises an acceptance point device (see fig. 1 and 5) wherein the device comprises a computing device connected to the Interact (see col. 2 lines 24-44).

Regarding claims 43-45, DiRaimondo teaches providing a parameter in the portable device, the parameter indicating the status of the portable device for the loyalty program; and providing a modifying mechanism to modify the parameter in the portable device, the modification of the parameter corresponding to a change of the participation status in the loyalty program from a first status to a second status for the portable device; providing card image data, the card image data including the parameter; wherein the portable device comprises at least one of a smartcard, a cellular phone, a personal digital assistant (PDA), a pager, a payment card, a security card, an access card, smart media and a transponder (see fig. 2A-2C, col. 6 line 55 to col. 7 line 17).

Regarding claims 46-52, 54 and 55, DiRaimondo teaches a portable device configured to include card image data, the card image data including information relating to the loyalty program participant and a parameter that corresponds to a participation status, the participation status having a first status or a second status and representing whether participation in the loyalty program is active or inactive; and a computing device configured to: receive an indication to change the participation status from the first status to the second status, modify the card image data including the parameter, wherein modification of the parameter corresponds to a change of the participation status from the first status to the second status, and update the portable device

with the modified card image data; wherein the computing device is further configured to modify the card image data by retrieving the card image data from the portable device and modifying the retrieved card image data; and wherein the computing device is further configured to update the portable device by uploading the modified card image data to the portable device and replacing the card image data on the portable device with the modified card data image; wherein the computing device comprises at least one of an acceptance point device, a personal computer (PC), a workstation, a personal digital assistant (PDA), a cellular phone, a set-top box, a kiosk, and a tablet PC; wherein the acceptance point device includes a point-of-sale device; wherein the portable device comprises at least one of a smartcard, a cellular phone, a personal digital assistant (PDA), a payment card, a pager, a security card, an access card, smart media and a transponder; wherein the computing device is further configured to send an indication to a host indicating that the parameter in the portable device has been modified; wherein the indication to change the participation status from the first status to the second status is received from the loyalty program participant; wherein the indication to change the participation status from the first status to the second status is received from a host managing the loyalty program; wherein if the first status is an active status, then the second status is an inactive status, and if the first status is an inactive status, then the second status is an active status (see fig. 1-2C, col. 6 line 55 to col. 7 line 17, col. 11 lines 4-45).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person

having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 53 is rejected under 35 U.S.C. 103(a) as being unpatentable over DiRaimondo as applied to claim 41 above, and further in view of McDonald et al. (US 6,736,317).

Regarding claim 53, DiRaimondo teaches receiving indication to change the status by customer (see col. 4 lines 33-41), however failed to explicitly teach a graphical user interface used to provide the indication. McDonald teach graphical user interface used provide indication of change to participation status (fig. 4 and col. 8 lines 1-12). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to include the graphical user interface of McDonald in DiRaimondo's method of regulating smart card usage and/or concession in order to allow the user to contact the system via any available means, as in McDonald.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR  
/Yehdega Retta/  
Primary Examiner, Art Unit 3622